United Nations A/55/649

General Assembly

Distr.: General
28 November 2000

Original: English

Fifty-fifth session
Agenda item 20 (a)
Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of the coordination of emergency humanitarian assistance of the United Nations

Enhancing the functioning and utilization of the Central Emergency Revolving Fund

Note by the Secretary-General*

I. Introduction

1. The present note is submitted pursuant to General Assembly resolution 54/95 of 8 December 1999, in which the Assembly, inter alia, requested the Secretary-General to submit to the General Assembly concrete proposals on how to enhance the functioning and utilization of the Central Emergency Revolving Fund (CERF), including, as necessary, amendments to its terms of reference.

2. The Secretary-General established CERF pursuant to General Assembly resolution 46/182 of 19 December 1991, as a cash-flow mechanism to ensure the rapid and coordinated response of the organizations of the United Nations system to humanitarian emergencies. The Assembly called for the Revolving Fund to be complementary to the reserve and other contingency funding arrangements of operational organizations and to ensure the provision of adequate resources for use in the initial phase of emergencies that require a system-wide response. It would be put into operation with an amount of US$ 50 million and would be financed by voluntary contributions. Resources would be advanced to the operational organizations of the system on the understanding that they would reimburse the Revolving Fund in the first instance from the voluntary contributions received in response to consolidated appeals.

3. Since CERF is a revolving fund and not a trust fund, its resources are advanced to operational agencies on a reimbursable basis. Contributions deposited in United Nations trust funds, on the other hand, are expended in accordance with the relevant terms of reference. When a trust fund is closed, remaining balances, including interest accrued, are returned, unless other instructions are given, to donor Governments on a pro rata basis. If and when CERF is closed, the amount to be returned to donor Governments would be equivalent to the amounts they contributed to the Revolving Fund, plus interest, unless other instructions are given. The procedures for the operation of CERF are set out in the Secretary-General's bulletin, ST/SGB/251 of 22 July 1992.

* The present document was delayed as a result of protracted consultations within the Secretariat for its finalization. The Economic and Social Council was briefed on the process at its regular session for the year 2000.

00-76852 (E) 301100

4. By its resolution 48/57 of 14 December 1993, the General Assembly also decided to authorize, in exceptional circumstances, on a time-bound basis and while preserving the revolving nature of CERF, the Emergency Relief Coordinator and relevant operational agencies, under the leadership of the Coordinator, to draw from the interest earned by the Fund to enhance rapid response coordination where insufficient capacity exists at the field level.

II. Current status of the Central Emergency Revolving Fund

5. The Revolving Fund, which is managed under the authority of the Secretary-General by the Under-Secretary-General for Humanitarian Affairs, who also acts as Emergency Relief Coordinator, has proved to be an important source of funding for United Nations operational organizations in facilitating timely response to emergencies. Since its inception in May 1992, a total of US$ 185.7 million has been disbursed, of which $155.7 million has been reimbursed. CERF has maintained a solid financial standing and has been utilized by operational organizations of the United Nations system on 61 occasions to meet the initial phase of urgent relief requirements.

6. Since 1992, CERF has accrued $8.8 million in interest. As provided for in General Assembly resolution 48/57, the Emergency Relief Coordinator has used portions of that interest, on a reimbursable basis, to enhance rapid response coordination where insufficient capacity exists at the field level, as in the cases of Burundi, Rwanda, the Great Lakes region of Africa, Western Africa and, more recently, in the Balkans. Accrued interest has also been utilized to replenish the Revolving Fund for long-outstanding advances which borrowing agencies have failed to repay. These outstanding advances include those to the World Food Programme (WFP) for the Tajikistan emergency, in the amount of $2,440,679; the United Nations Centre for Human Settlements (Habitat) for the crisis in Lebanon, amounting to $3,306,724; the International Organization for Migration (IOM) for emergency operations in Zaire, totalling $350,153; and the Food and Agriculture Organization of the United Nations (FAO) for emergency requirements in Bosnia and Herzegovina, amounting to $45,132.

7. Over the years, the variety and range of mechanisms for funding humanitarian assistance programmes, in particular rapid response to crises, have increased significantly. In recent years, United Nations organizations, which are operational on the ground in emergency situations, have increasingly resorted to their own trust funds and specific emergency funds to finance their response to crises. Individual organizations have used their own internal emergency reserves whenever possible and have called upon CERF only when their needs have exceeded their own emergency funds.

8. As a result, utilization of the Revolving Fund has been uneven. In 1998, only five advances, amounting to $6.3 million, were requested. In 1999, 15 advances were granted for $22.1 million. As at 1 October 2000, 18 advances had been granted for $33.6 million, of which $13 million went to FAO for emergency agricultural inputs, $11 million to WFP for Mozambique and Kenya and $8 million to the United Nations Children's Fund for the Horn of Africa.

III. Challenges and constraints

9. The magnitude of natural disasters in 1998 and 1999 and their devastating impact, particularly on developing countries, have emphasized the need for an appropriate funding mechanism to ensure a rapid response to the most immediate needs of disaster-affected populations. Although CERF was designed as a cash-flow mechanism to ensure rapid response in the initial phase of emergencies that require a system-wide response, there is no explicit provision in its operational guidelines for its utilization for urgent humanitarian assistance to populations affected by natural disasters.

10. Donor funding has generally been available for the initial phases of major emergencies. However, in some cases, contributions for protracted humanitarian emergencies have been more difficult to secure. In 1999 and 2000, protracted conflicts in Angola and Sierra Leone intensified and those in Afghanistan and the Sudan continued unabated. In a number of instances, internal wars have taken on a larger regional dimension, as in the case of the Democratic Republic of the Congo, and have resulted in increased requirements for humanitarian assistance. In such situations, it is often critical to be able to use newly pledged contributions immediately. As the delay

between the announcement of a pledge and the receipt of the funds may be considerable, the availability of CERF would allow agencies to implement emergency activities immediately.

11. Another constraint faced by operational organizations in providing humanitarian assistance has been the low levels of funding of consolidated appeals for those emergencies that receive little public attention. This is particularly evident in Africa, where the consolidated appeals for 1999 for the Congo, the Democratic Republic of the Congo and Uganda received contributions of 17, 19 and 13 per cent, respectively, of the total amount requested. Despite critical requirements, funding for the crisis in Sierra Leone was a mere 41 per cent of the amount requested, while emergencies in Burundi, the United Republic of Tanzania and the Great Lakes region generated responses of 40 to 75 per cent of the amount needed. As a result, in the "forgotten emergency" situations, many key lifesaving needs have not been met.

12. The question of security of United Nations personnel requires urgent attention. Despite the concerns expressed by Member States about the increasingly difficult context in which humanitarian assistance takes place in some areas and, in particular, the continuous erosion of respect for the principles and rules of international humanitarian law, humanitarian workers of the United Nations and of other organizations have been subjected to violent attacks, including death, hostage-taking, robbery and looting of property by armed groups. It is imperative that adequate security arrangements be put in place for humanitarian workers, as called for by the Secretary-General in his report on the safety and security for United Nations personnel, submitted to the General Assembly at its current session (A/55/494). In the meantime, there is and will continue to be a need to advance resources for security measures pending receipt by the operational organizations of financing for their security needs related to their assistance programmes. The use of CERF to advance funds for immediate emergency security measures is therefore proposed, to be undertaken in accordance with policies and procedures established by the Office of the United Nations Security Coordinator.

IV. Conclusions and recommendations

13. The Central Emergency Revolving Fund, as a cash-flow mechanism for the initial phase of humanitarian emergencies, has been an important source of funding for timely, prompt and effective response by operational organizations. The decline in its use for the initial phase of emergencies has been the result of the availability within operational organizations of their own emergency funds and other sources of financing for such start-up requirements. Given the uneven pattern of its utilization in recent years and taking into consideration the increased availability of emergency funds within operational organizations, it is proposed that the level of CERF be reduced from $50 million to $40 million.

14. It is also proposed that the opportunity for the use of CERF be expanded. This would be in compliance with the intention and spirit of General Assembly resolution 46/182, which addresses the fundamental issue of adequate funding for humanitarian assistance by the United Nations system. At that time, the major concern was the availability of urgent and timely funding for the initial phase of emergencies. While this continues to be relevant, there is now a need to address the other situations outlined above, so as to ensure that the Revolving Fund is used where the needs are greatest and most urgent.

15. In order to ensure more efficient utilization of CERF, it is proposed that its operational guidelines, which currently only provide for funding of the initial phase of emergencies, be expanded to include (a) humanitarian assistance resulting from natural disasters; (b) humanitarian assistance for protracted emergencies; and (c) security arrangements for United Nations and associated personnel.

16. If approved, expanded usage of CERF for advances to United Nations organizations and entities for the above-mentioned activities would follow the procedures currently in place for the allocation and reimbursement of resources for the initial phase of emergencies. Such procedures include an exchange of letters between the Emergency Relief Coordinator and the operational organization; specification of purpose and duration of the programme or project for which the advance is sought; and an indication of target date for reimbursement to CERF. Furthermore, in accordance with established procedures, if an operational organization has failed to reimburse CERF within one

year of the date of the advance, the Emergency Relief Coordinator would be required to initiate measures to restore the balance of the Revolving Fund. To that end, the Coordinator would continue to: (a) require the operational organization to repay the balance of the advance from its own resources; (b) appeal to donors to make specific contributions to CERF to cover the amounts advanced; or, as a last resort, (c) utilize such balances of CERF, including accumulated interest, as may exceed the new target level of $40 million.

17. Should the proposal to reduce the level of CERF to $40 million be approved, the concurrence of Member States that have contributed to the Revolving Fund would be sought to transfer $10 million to a trust fund to be established for lifesaving assistance needs, particularly in Africa, which, as mentioned in paragraph 11 above, have received low funding and little attention. Guidelines would be established for the utilization by operational organizations of the proposed trust fund. The Inter-Agency Standing Committee Working Group, in its periodic review of crisis situations and donor response to consolidated appeals, would be responsible for identifying priority lifesaving needs that are severely underfunded and for which resources from this trust fund may be used. The Emergency Relief Coordinator, on the basis of the Committee's recommendations, would decide on the use of the trust fund.

18. With respect to the utilization of accumulated interest, the Emergency Relief Coordinator would, in exceptional circumstances and on a time-bound and reimbursable basis, continue to draw on the interest earned by the Fund to enhance rapid response coordination where insufficient capacity exists at the field level, as envisaged in General Assembly resolution 48/57.

19. The General Assembly may wish to endorse the proposal of the Secretary-General (a) to reduce the level of CERF from $50 million to $40 million; and (b) to expand the utilization of CERF, as specified in paragraph 15 above.

20. In order to determine whether the above-mentioned arrangements should continue on a long-term basis, the Secretary-General will report to the General Assembly at its fifty-seventh session in 2002 on the experience gained in the use of CERF under the revised terms of reference.